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INCREASING THE I-M-F'S RESOURCES

ANNCR:

THE AGREEMENT AMONG WORLD FINANCIAL LEADERS FOR A SUBSTANTIAL INCREASE IN RESOURCES OF THE INTERNATIONAL MONETARY FUND -- THE I-M-F -- REFLECTS THE FUND'S BURGEONING ROLE IN THE WORLD ECONOMY. VOA BUSINESS AND ECONOMICS EDITOR FRANK FEINBERG HAS THIS BACKGROUND REPORT:

VOICE:

THE I-M-F'S INTERIM COMMITTEE OF TWENTY NATIONS, WHICH FUNCTIONS AS AN EXECUTIVE COUNCIL, HAS AGREED (9-24) TO RAISE THE FUND'S MONEY RESOURCES TO ABOUT SEVENTY-FIVE THOUSAND MILLION DOLLARS. THE PROPOSAL IS ONE OF THE MAJOR DEVELOPMENTS EMANATING FROM THIS WEEK'S ANNUAL MEETING OF THE INTERNATIONAL MONETARY FUND AND WORLD BANK IN WASHINGTON.

TO RAISE THE I-M-F'S AVAILABLE FUNDS, QUOTAS WILL BE ASSIGNED AMONG THE FUND'S ONE-HUNDRED-THIRTY-FIVE MEMBERS. MAJOR INDUSTRIAL STATES AND OTHER NATIONS WITH LARGE FINANCIAL RESERVES, SUCH AS SAUDI ARABIA, WILL FURNISH MOST OF THE NEW FUNDS. AT PRESENT THE UNITED STATES SUPPLIES NEARLY TWENTY PERCENT OF THE I-M-F'S CAPITAL.

THE BASIC OBJECTIVE IN ENLARGING THE FUND'S OPERATING CAPITAL IS TO STRENGTHEN ITS ASSIGNED FUNCTION OF HELPING TO EXPAND INTERNATIONAL TRADE, AND FACILITATE PAYMENTS AMONG NATIONS. THE EXPANDED I-M-F ROLE IN WORLD ECONOMICS, WHICH ADDITIONAL FINANCIAL RESOURCES WILL PERMIT, RESULTS FROM ECONOMIC CIRCUMSTANCES AND THE PERSEVERANCE OF I-M-F'S TOP MANAGEMENT.

MANY LESS-DEVELOPED, CAPITAL-SHORT COUNTRIES HAVE BEEN HARD PRESSED IN RECENT YEARS BY INFLATION, THE ESCALATED COST OF

PETROLEUM, AND REDUCED EARNINGS FROM THEIR EXPORTS OF BASIC COMMODITIES. TO HELP THEM MEET THEIR BALANCE OF PAYMENTS OBLIGATIONS, FORMER I-M-F MANAGING DIRECTOR JOHANNES WITTEVEEN PRESSED FOR ESTABLISHMENT OF THE SO-CALLED WITTEVEEN FACILITY WITHIN THE I-M-F.

THE FACILITY WILL HAVE AVAILABLE SOME TEN-THOUSAND MILLION DOLLARS FOR LOANS TO NATIONS WITH UNUSUALLY SEVERE INTERNATIONAL PAYMENTS PROBLEMS. THESE REPORTEDLY INCLUDE PORTUGAL, SPAIN EGYPT, TURKEY, PERUU, JAMAICA, THE PHILIPPINES AND ZAIRE. SAUDI ARABIA AND THE UNITED STATES ARE AMONG THE PRINCIPAL FUND SUPPLIERS TO THE WITTEVEEN FACILITY.

THE I-M-F'S NEW HEAD, JACQUES DE LAROSIER, LIKE HIS PREDECESSOR, IS A STAUNCH SUPPORTER OF A GREATER ROLE FOR THE I-M-F IN WORLD MONETARY MATTERS. ON MONDAY, IN HIS FIRST ADDRESS TO THE FUND, HE STRESSED THE NEED FOR SUBSTANTIAL IMPROVEMENT IN TRADE BALANCES AMONG NATIONS.

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